



**MCI Telecommunications
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

June 19, 1995

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Computer III Further Remand Proceedings
CC Docket No. 95-20

Dear Mr. Caton:

In its corrected Comments and Reply Comments filed in this docket on April 10 and May 19, 1995, respectively, MCI Telecommunications Corporation (MCI) cited a variety of sources, including pleadings and orders in other dockets of this and other Commissions. Because of the bulk of the materials cited, it was not feasible to attach them to MCI's Comments and Reply Comments and serve them on all interested parties. MCI stated in its Comments, at page 30, that it would be submitting the cited material on an ex parte basis. The two reports filed in this docket by Hatfield Associates, Inc. on behalf of MCI, CompuServe Incorporated and the Information Technology Association of America also cited a variety of sources too voluminous to attach and serve on all parties. For the convenience of the Commission, and in order for the Commission to have a complete record upon which to base its ultimate decision in this matter, MCI is accordingly submitting the following list of attached materials in duplicate at this time.

Items 1-18 are listed in the order in which they are cited in MCI's Comments and Reply Comments. Items 19-22 are listed in the order in which they appear in the Hatfield Associates reports.

In addition, Items 23-28 consist of record material from the Computer III Remand Proceeding, CC Docket No. 90-623. As MCI explained in its Comments in the instant proceeding, since ONA does not add significantly to the protections offered under CEI plans, the level of protection against discrimination and other

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abuses is about what it was during the Computer III Remand Proceeding. Accordingly, MCI is resubmitting material submitted in that proceeding that was ignored by the Commission in the Computer III Remand Order, 6 FCC Rcd. 7571 (1991). This material was referenced in the petitioners' briefs in California III,^{1/} portions of which were attached as Exhibit A to MCI's Comments in this proceeding. Items 23-28 are listed in the order in which they are referenced in the briefs attached as Exhibit A to MCI's Comments.

1. Reply of MCI Telecommunications Corporation in Support of the ITAA Petition for Reconsideration, Bell Operating Companies' Joint Petition for Waiver of Computer II Rules (March 15, 1995).

2. Application of Pacific Bell (U 1001 C) for Authorization to Transfer Specified Personnel and Assets, Application 90-12-052, Decision 92-07-072 (Cal. PUC July 24, 1992).

3. Order Instituting Rulemaking and Order Instituting Investigation, Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish a Framework for Network Architecture Development of Dominant Carrier Networks, R. 93-04-003; Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks, I. 93-04-002 (Cal. PUC April 13, 1993).

4. Proceeding on Motion of the Commission to Investigate Performance - Based Incentive Regulatory Plans for New York Telephone, Case 92-C-0665 (NY PSC Comm. Div. Oct. 4, 1993).

5. Letter from Richard C. Fipphen, MCI, to Joseph A. Post, New York Telephone Co., dated May 20, 1994; letter from Joseph A. Post to Richard C. Fipphen, dated June 9, 1994; letter from Richard Stannard, Director, Communications Division, New York State Public Service Commission, to Joseph A. Post, dated July 5, 1994.

6. Order Granting Stay, AT&T Communications of the

^{1/} Joint Brief of Petitioners MCI Telecommunications Corporation, in Case No. 92-70186, and Newspaper Association of America, in Case No. 92-70261, at 32-38 (April 21, 1993), and Reply Brief of Petitioners MCI Telecommunications Corporation, in Case No. 92-70186, and Newspaper Association of America, in Case No. 92-70261, at 10-17 (Sept. 8, 1993), filed in People of the State of California v. FCC, No. 92-70083 and consolidated cases (9th Cir.).

Southern States, Inc., et al. v. BellSouth Telecommunications Inc., CA No. 93-CP-40-4184 (S. Car. Circuit Ct. Nov. 11, 1993).

7. Reply of the Staff of Illinois Commerce Commission to Brief on Exceptions to the Hearing Examiner's Proposed Order, MFS Intelenet of Illinois, Inc. v. Illinois Bell Telephone Co., No. 94-0422 (Ill. Comm. Comm'n. Jan. 6, 1995).

8. Interim Order, MFS Intelenet of Illinois, Inc. v. Illinois Bell Telephone Co., No. 94-0422 (Ill. Comm. Comm'n. Jan. 25, 1995).

9. Complaint and Petition Requesting Expedited Relief of MCI Telecommunications Corporation, MCI Telecommunications Corporation v. Illinois Bell Telephone Co., No. 94-0483 (Ill. Comm. Comm'n. Nov. 22, 1994).

10. Prepared testimony of Richard P. Kolb, Ameritech Operating Companies, MCI Metro Access Transmission Services, Inc., Docket No. 94-0400 (Ill. Comm. Comm'n. Jan. 17, 1995).

11. Opinion and Order, City Signal, Inc. v. Michigan Bell Telephone Co., Case No. U-10225 (Mich. PSC May 21, 1993).

12. Order Rescinding Decision 93-09-076, Alternative Regulatory Frameworks for Local Exchange Carriers, I.87-11-033, Decision 93-10-033 (Cal. PUC Oct. 6, 1993); California Public Utilities Commission, General Counsel, "A Report to the Commission: A Review of the Events Surrounding D.93-09-076 (IRD)" (Oct. 13, 1993).

13. Closing Brief of MCI Telecommunications Corporation Re Motion for Immediate Issuance of Sua Sponte Relief, Ex Parte Order or Preliminary Injunction, MCI Telecommunications Corporation (U 5001 C) v. Pacific Bell (U 1001 C), Case No. 94-12-032 (Cal. PUC Feb. 3, 1995); Opinion, MCI Telecommunications Corporation (U 5001 C) v. Pacific Bell, Case No. 94-12-032, Decision 95-05-020 (Cal. PUC May 11, 1995).

14. Toward Utility Rate Normalization, Inc. v. Pacific Bell (U 1001 C), Case 91-03-006, Decision 93-05-062 (Cal. PUC May 26, 1993), mod. on rehearing, Decision 94-04-057 (Cal. PUC April 22, 1994).

15. Final Judgment, Great Western Directories, Inc. and Canyon Directories, Inc. v. Southwestern Bell Corporation, et al., C.A. No. 2:88-CV-0218-J (N.D. Tex. July 2, 1993), appeal docketed, No. 93-1715 (5th Cir. Jan. 7, 1994).

16. Public Statement of Commissioner Bob Anthony, Southwestern Bell Case No. PUD 260 (Okla. Corp. Comm'n. Oct. 2, 1992).

17. Application of Pacific Bell, a corporation, for authority to increase certain intrastate rates and charges applicable to telephone services furnished within the State of California, Application 85-01-034, Decision 92-07-076 (Cal. PUC July 23, 1992).

18. Interim Opinion, Investigation on the Commission's own motion into the Pacific Telesis Group's "spin-off" proposal, I.93-02-028, Decision 93-11-011 (Cal. PUC Nov. 3, 1993), mod. on other grounds, Decision 94-03-036 (Cal. PUC March 9, 1994).

19. Declaration of Daniel Kelley, MCI's Initial Comments to the Department of Justice Concerning the Motion to Vacate the Judgment and NYNEX's Request to Provide Interexchange Service in New York State, U.S. v. Western Elec. Co., C.A. No. 82-0192 (D.D.C. December 1, 1994).

20. Declaration of Nina W. Cornell, MCI's Initial Comments to the Department of Justice Concerning the Motion to Vacate the Judgment and NYNEX's Request to Provide Interexchange Service in New York State, U.S. v. Western Elec. Co., C.A. No. 82-0192 (D.D.C. December 9, 1994).

21. Hatfield Associates, Inc., "New Local Exchange Technology: Preserving the Bottleneck or Providing Competitive Alternatives?" (April 6, 1992).

22. Testimony of Joseph Gillan on Behalf of the Florida Interexchange Carriers Association, Comprehensive Review of the Revenue Requirements and Rate Stabilization Plan of Southern Bell Telephone and Telegraph Company, Docket No. 920260-TL (Fla. PSC Nov. 8, 1993).

23. Petition for Reconsideration of MCI Telecommunications Corporation (Feb. 24, 1989), and Reply Comments of MCI Telecommunications Corporation (April 19, 1989), Filing and Review of Open Network Architecture Plans, CC Docket No. 88-2. This Petition and Reply Comments cited the following depositions, the relevant pages of which are also attached hereto:

(a) Deposition of Milton H. Berryhill, In re: An Investigation into the Statewide Offering of Access to the Local Network for the Purpose of Providing Information Services, Florida Public Service Commission Docket No. 880423-TP, (Fla. Access Investigation), dated Jan. 5, 1989.

(b) Deposition of Randall L. Corn, Fla. Access Investigation, dated Jan. 23, 1989.

(c) Deposition of Gene Davis, Fla. Access Investigation, dated January 9, 1989.

(d) Deposition of Kathy Kaplan, Fla. Access Investigation, dated Jan. 23, 1989.

(e) Deposition of Robert L. Savage, Fla. Access Investigation, dated Jan. 5, 1989.

(f) Deposition of Alphonso Varner, Fla. Access Investigation, dated Jan. 5, 1989.

24. Exhibits in Support of MCI's Opposition to Motions for Removal of the Information Services Restriction in the Modification of Final Judgement, United States v. Western Electric Co., Civ. No. 82-0192 (HHG) (D.D.C. filed Oct. 17, 1990):

(a) Affidavit of Nina W. Cornell

(b) Affidavit of Michael F. Hydock

(c) Affidavit of Frank Brooks.

(d) Affidavit of Rubie K. Czerwinski

(e) Affidavit of James Goble

(f) Affidavit of Richard H. Press

(g) Affidavit of Raymond Rothstein

25. Comments of the Association of Teleessaging Services International, Inc. at 10-22, Computer III Remand Proceedings (March 8, 1991).

26. Comments of Iowa Network Services, Inc. at 16-26, Computer III Remand Proceedings (March 8, 1991).

27. Comments of Access Plus Communications, Inc., Computer III Remand Proceedings (Feb. 19, 1991).

28. Ex Parte letter from Marc S. O'Krent, President, The Telephone Connection of Los Angeles, Inc., to Donna Searcy, Secretary, FCC (Nov. 11, 1991).

Due to its bulk, the above material has been divided into three binders.

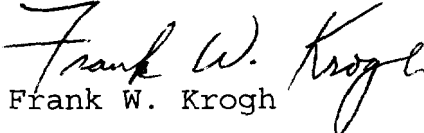
In addition, I am also attaching a copy of "An Audit of the Affiliate Interests of the Pacific Telesis Group," prepared by the staff of the California PUC and presented to the NARUC Committee on Finance and Technology on July 26, 1994. This is the audit report that was referenced in the trade press article cited in footnote 79 on page 43 of MCI's Comments. According to the Executive Summary, the results of this audit demonstrate that

Regulatory agencies' heavy reliance on non-structure safeguards, such as cost allocation systems and project tracking systems may be misplaced. These systems and procedures appear to be inadequate to ensure that cross-subsidizations will not occur.

Id. at ii. The Executive Summary also cites "network infrastructure modifications, with ratepayers' funding, that were mainly to accommodate the development of [Pacific Bell's] competitive enhanced services." Id. at iii. Moreover, "[a]ll of the new product development that eventually lead to enhanced services are not captured as product costs," and "the pre-captured costs are borne by the ratepayers." Id. at iii-iv.

Please include a copy of all of the above-listed, attached material in the public record of this proceeding.

Yours truly,


Frank W. Krogh

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